
State of South Carolina
Department of Revenue
300A Outlet Pointe Blvd., P. O. Box 125, Columbia, South Carolina 29214
Website Address: <http://www.dor.sc.gov>

SC INFORMATION LETTER #15-4

SUBJECT: "Rent by Owner" Vacation Rental Websites
(State and Local Sales Taxes and Local Accommodations Taxes)

DATE: April 1, 2015

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2014)
S.C. Code Ann. Section 1-23-10(4) (2005)
SC Revenue Procedure #09-3

SCOPE: An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

NOTICE TO ALL "RENT BY OWNER"
VACATION RENTAL WEBSITES

In 2014, the South Carolina General Assembly enacted the "Fairness in Lodging Act" (Act No. 261 of 2014). The purpose of this law, which became effective June 9, 2014, is to improve compliance with state and local accommodations tax laws.

Under South Carolina law, a sales tax is imposed on charges or rentals derived from the furnishing of sleeping accommodations to transients. The sales tax on accommodations is imposed at a 7% state rate, plus any applicable local sales tax collected by the South Carolina Department of Revenue on behalf of the local jurisdiction. In addition, municipalities and counties may impose a local accommodations tax of up to 3% that the municipality or county collects directly.

Under the "Fairness in Lodging Act," the South Carolina Department of Revenue and municipalities and counties will be sharing information to ensure better compliance with the law.

In addition, the Department must identify websites containing "rent by owner" vacation rental opportunities and request that such websites post a statement notifying all owners of South Carolina rental properties that they must be licensed and must remit all applicable state and local fees and taxes on charges and rentals derived from the furnishing of sleeping accommodations, unless the rental is otherwise exempt under the law.

It is recommended that websites containing “rent by owner” vacation rental opportunities place a statement, similar to the one below, on their website concerning South Carolina:

Persons furnishing sleeping accommodations in South Carolina for vacation rental purposes must be licensed and must remit (unless otherwise exempt) the 7% state sales tax, plus any applicable local sales tax, to the South Carolina Department of Revenue, and must also remit any applicable local accommodations tax collected directly by the municipality and county in which the property is located to the applicable municipality and county.

The statement may be placed anywhere on the website, including the webpage on which the owner of the vacation rental property first registers with the website and posts their property for rental.

For additional information on sales taxes on sleeping accommodations that must be remitted to the South Carolina Department of Revenue, call (803) 898-5000 or visit our website at www.dor.sc.gov. In addition, a summary of certain exemptions that may be applicable to persons furnishing sleeping accommodation can be found in Chapter 11 of the South Carolina Sales and Use Tax Manual which is located in the “News and Resources” tab of the website. Under the “News and Resources” tab, click on “Publications” and then “Tax Manuals” to find the sales and use tax manual.

For information on local accommodations taxes collected directly by municipalities and counties, visit the website of the municipality and county in which the property is located.